

SENT ELECTRONICALLY

August 2, 2021

Ms. Jessica Dibiasio, Compliance and Quality Manager
Ascension Recovery Services
103 Corporate Drive, Suite 102
Morgantown, WV 26501

RE: Docket No. GMCB-006-20con, Divided Sky Foundation and Ascension Recovery Services, Proposed Development of a Substance Use Disorder Treatment Facility in Ludlow. Original Project Cost: \$3,869,691.

Dear Ms. Dibiasio:

Thank you for the response to the first set of questions for the above-referenced project. Your response to the first set of questions explained that the program will not be able to bill Medicaid which represents a significant change in revenue source projections by payer. Due to this change, you will need to revise all financial tables to reflect the change in revenues, sources of revenues, and total project cost. At this time, please provide the following information:

Financial

1. Revise and resubmit financial tables 1, 2, 6, B and C, 7 B and C, and 9 B and C. Provide a separate document that specifies assumptions that underlie each table.
2. In your response to the first set of questions, page 20, question 24, you state that you expect a reimbursement rate from private/commercial insurance of \$615 for residential care and \$700 for detox care per day per client. Clarify whether these reimbursement amounts represent what you charge or the amount you expect to receive from private/commercial payers. We assume you will negotiate different reimbursement rates with each payer and therefore reimbursement amounts by payer will vary. Clarify whether the different negotiated rates you expect to receive are included in the dollar amounts noted above.
3. Provide data for how you arrived at the cost per person, per day for services included in the residential care component (\$615) and for the services included in the detox care component (\$700).
4. Revise and resubmit the Profit and Loss Statement. This spreadsheet must be more detailed and reflect specific line items for expenses \$50,000 or greater. In addition, provide a detailed



breakdown of the expenses that make up the line items titled, Cost of Goods Sold, COGS Labor and Management Fee (and to who this is paid) regardless of the dollar amount.

5. Revise and resubmit the Balance Sheet. This spreadsheet must be more detailed and reflect specific line items for assets and liabilities \$50,000 or greater. Provide a breakdown of the capital table for the common stock and identify each of the owners. Also explain in detail who the shareholders are, dollar amounts associated with shareholder equity, and dollar amounts associated with liabilities in years 1, 2 and 3 reflected in the balance sheet.
6. Revise and resubmit the Cash Flow Statement. This spreadsheet must be more detailed and reflect specific line items for assets and liabilities \$50,000 or greater. Provide in detail what makes up the line item titled, "Cash Flows from Investing" and "Common Stock".
7. Explain in detail, the ownership structure and the names of the individuals who are owners and/or investors in the: a) the fundraising foundation; b) the operations of the facility; and c) the real estate (land and buildings). Specify whether there are any owners/ investors in common and their roles in each entity. Describe the rental or lease arrangements between the operations and the real estate entities and explain whether all associated costs are included in the revised financial tables requested in this set of questions. Also, provide a copy of the rent or lease agreement document and any other contractual arrangements between the two entities.

In responding, restate the question in bold font and respond in un-bolded font. Send an electronic copy to me at donna.jerry@vermont.gov and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

s/ Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board

cc. Michael Barber
General Counsel

